

UNITED STATES DEPARTMENT OF AGRICULTURE

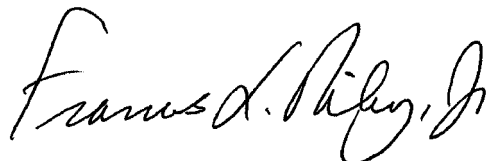
Farm Service Agency
Washington, DC 20250

Notice PM-2344

For: All FAS Employees

Increase in Foreign Service Retirement Deductions

Approved by: Acting Deputy Administrator, Management



1 Retirement Deduction Rates

A

Background

Public Law 107-228 dated September 30, 2002, enacted Virtual Locality Pay for Foreign Service retirement annuity purposes. The provisions of Virtual Locality Pay allow a Foreign Service employee's service overseas to be credited at the Washington, D.C. basic pay rate, including Washington locality pay. The effective date of the provision is prospective rather than retroactive. The effective date of Virtual Locality Pay was December 29, 2002. All Foreign Service retirement annuities calculated after December 29, 2002, will include Washington, D.C. locality pay.

To help fund Virtual Locality Pay, employee and Agency retirement contributions will be increased.

B

Purpose

This notice announces changes in the amount of retirement deductions effective January 2003 for the following:

- Foreign Service Retirement and Disability System (FSRDS)
- FSRDS Offset
- Foreign Service Pension System (FSPS).

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Disposal Date

January 1, 2004

Distribution

All FAS employees

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1 Retirement Deduction Rates (Continued)

C

Retirement Rates The following chart reflects the retirement deduction rates and their respective effective pay period.

Retirement System	Former Contribution Amount	New Contribution Amount	Effective Pay Period
FSRDS	7.0%	7.25%	26 (2002)
FSRDS Offset	7.5%	7.75%	26 (2002)
FSPS	7.5%	7.55%	01 (2003)

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Contact For further information on this notice, contact Susan Brown at 202-418-9039 or Darla Hensley at 202-418-9021.
